Governance Principles

The Board of Directors of Pitney Bowes Inc. has adopted the Governance Principles set forth below as a framework for the governance of the Company. The Governance Committee reviews these Governance Principles annually and recommends changes to the Board of Directors as appropriate.

1. Role and Responsibilities of the Board of Directors.
The Board of Directors is elected by the Company's stockholders to oversee the management and conduct of the Company's businesses by its chief executive officer and other officers and employees, to enhance the long-term value of the Company for the benefit of its stockholders. In fulfilling its obligations, the core responsibilities of the Board of Directors are:

- To select, evaluate, and compensate the chief executive officer.
- To oversee management succession planning.
- To provide counsel and oversight in the selection and evaluation, and to approve the compensation, of senior management.
- To review and approve the Company's material capital allocations and expenditures, and material transactions not in the ordinary course of business.
- To review and approve the management's strategic plans and long-term goals.
- To provide counsel and oversight with respect to corporate performance, and evaluate results compared to the strategic plans and other long-range goals.
- To review and monitor the Company's financial controls and reporting systems.
- To review and approve the Company's financial standards, policies, and plans.
- To oversee the Company's processes for assessing and managing risk.
- To oversee the Company's ethical standards and legal and regulatory compliance, and to assess from time to time the continued effectiveness of the programs established to prevent, detect, and report violations of law or Company policy.
- To provide counsel and oversight with respect to relations with stockholders, customers, employees, and the communities in which the Company operates.

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- To identify the Company's candidates for election to the Board.

2. Committees.
The Board performs many of its responsibilities with the assistance of committees. The Board has five standing Committees: Audit, Executive Compensation, Governance, Executive, and Finance. The Board may also establish and maintain other Committees from time to time as it deems necessary and appropriate. Each standing Committee operates under a written charter that sets forth the purposes and responsibilities of the committee as well as qualifications for Committee membership. Both the Audit and Executive Compensation Committees (each in conjunction with the Governance Committee) and the Governance Committee annually review their respective charters and recommend changes to the Board as appropriate. All standing Committees report regularly to the full Board with respect to their activities.

The Governance Committee considers and makes recommendations to the Board regarding Committee size, structure, composition and functioning. Committee members and chairpersons are recommended to the Board by the Governance Committee and appointed by the full Board. The chair of each Committee determines the frequency, length and agenda of the Committee's meetings.

3. Qualifications of Directors.
Members of the Board of Directors should conduct themselves in accordance with the highest standards of integrity and ethical behavior in the discharge of their duty to safeguard the long-term interests of the stockholders. The Board should be comprised of such number of directors as the Board considers optimal to promote a productive group deliberation and decision process. As a whole, the Board should include individuals with a diverse range of experience to give the Board depth and breadth in the mix of skills represented for the benefit of the Company's stockholders. While all Directors should possess business acumen and must exercise sound judgment in their oversight of the Company's operations, the Board endeavors to include an array of targeted skills and experience in its overall composition rather than requiring every Director to possess the same skills, perspective, and interests. Criteria that the Board looks for in Board candidates include, among other things, an individual's business experience and skills, judgment, independence, integrity, and ability to commit sufficient time and attention to the activities of the Board, as well as the absence of any potential conflicts with the Company's interests.

The Board, with the assistance of the Governance Committee, is responsible for assembling appropriate expertise within its membership as a whole, including financial literacy and expertise needed for members of the Audit Committee as required by applicable law and New York Stock Exchange listing standards. The Governance Committee is responsible for reviewing and revising, as needed, criteria for the selection of Directors, and from time to time, reviews and updates the Board candidate profile utilized in the context of a Director search, in light of the current needs of the business and the experience and talent then represented on the

Board. The Governance Committee reviews the qualifications of Director candidates in light of the criteria approved by the Board and recommends candidates to the Board for election by the stockholders at the Annual Stockholders Meeting.

While the Board does not believe it appropriate to establish an arbitrary limit with respect to the number of public company boards upon which a Director may serve, the Board shall evaluate whether each Director evidences the ability to devote sufficient and significant time for service on the Company's Board. Any Director intending to stand for election to the Board of Directors of an additional public company must provide advance notice to the Governance Committee Chair and the Chief Executive Officer. In addition, any Director intending to serve on the audit committee of an additional public company must provide advance notice to the Governance Committee Chair and the Non-Executive Chairman.

4. Voting for Directors.
Directors are elected by a majority of votes cast. Any nominee for Director in an uncontested election who receives a greater number of votes "against" his or her election than votes "for" such election shall tender his or her resignation for consideration by the Governance Committee. The Governance Committee shall recommend to the Board the action to be taken with respect to such offer of resignation.

5. Director Evaluation and Tenure.
The Board of Directors conducts either a self-assessment or an assessment with assistance from a third party of its performance each year using these Governance Principles as a tool against which performance is measured. The assessment process is also used as an opportunity to identify process improvements (i) to provide the Board with appropriate and adequate information in a timely fashion and (ii) to promote a high degree of engagement in the Board's discussions and deliberations. In addition to the annual Board of Directors' assessment, the attendance and contribution of each Board member is thoroughly reviewed every time the member is recommended by the Governance Committee for reelection by the stockholders.

The Board of Directors establishes and oversees processes by which the Committees of the Board evaluate their performance as measured against their responsibilities as set forth in the respective Committee charters. Each of the Committees of the Board conducts an annual performance evaluation and reports the results of the evaluation to the Board.

Directors who retire from their employment or who otherwise significantly change their position at any time while a member of the Board must notify the Governance Committee Chair of such change. The Governance Committee then reviews the continued appropriateness of Board membership under these circumstances, and reports its recommendation to the Board of Directors.

The Board will maintain an orderly turnover of members of the Board over time, with the goal of having a mix of years of tenure of Board members between those who have served longer term, medium term, or shorter term.

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6. Composition and Independence of the Board and its Committees. The term of any Director candidate standing for election by the stockholders is one year. A substantial majority of the Directors are independent. In accordance with longstanding Company practice, it is the expectation and strong preference of the Board that all but the employee Director(s) be independent. No more than two Directors should be employees of the Company. All Committees, except the Executive Committee, are comprised solely of independent directors. The Company does not maintain consulting relationships with any of its non-employee Directors or any of their family members for which a fee or other remuneration is paid, outside of the Director's compensation as a Director of Pitney Bowes.

An "independent" director is a director who meets the New York Stock Exchange definition of "independence," as determined by the Board. The Board of Directors determines on an annual basis whether each Director is independent based upon the recommendation of the Governance Committee and all relevant facts and circumstances appropriate for consideration in the judgment of the Board. The Board applies the following standards to assist in assessing independence:

No Director can qualify as independent if he or she has a material relationship with the Company outside of his or her service as a Director of the Company. A Director is not independent if:

(i) the Director was employed by the Company within the preceding three years;

(ii) an immediate family member of the Director was employed by the Company as an executive officer within the preceding three years;

(iii) the Director is a current partner or employee of the Company's independent auditor, or was, within the preceding three years (but is no longer) a partner or employee of the Company's independent auditor and personally worked on the Company's audit within that time;

(iv) an immediate family member of the Director is a current partner of the Company's independent auditor, or is a current employee of the Company's independent auditor and personally works on the Company's audit, or was, within the preceding three years (but is no longer) a partner or employee of the Company's independent auditor and personally worked on the Company's audit within that time;

(v) within the preceding three years, an executive officer of Pitney Bowes was on the compensation committee of the board of directors of a company at the same time the company employed the Pitney Bowes Director or an immediate family member of the Director as an executive officer;

(vi) during any 12-month period within the preceding three years, the Director received any direct compensation from the Company in excess of $100,000, other than compensation for Board service and pension or other forms of deferred compensation for prior service with the

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Company;

(vii) during any 12-month period within the preceding three years, an immediate family member of the Director received any direct compensation from the Company in excess of $100,000, other than compensation for service as a non-executive employee of the Company;

(viii) another company where the Director is a current executive officer or employee made payments to or received payments from Pitney Bowes for property or services in an amount that, in any single fiscal year within the preceding three fiscal years, exceeded the greater of $1 million or two percent of the other company's consolidated gross revenues;

(ix) another company where a member of the Director's immediate family is a current executive officer made payments to or received payments from Pitney Bowes for property or services in an amount that, in any single fiscal year within the preceding three fiscal years, exceeded the greater of $1 million or two percent of the other company's consolidated gross revenues; or

(x) Pitney Bowes' discretionary charitable contributions to an organization where the Director or the Director's spouse serves as an officer, director or trustee exceeded, in any single fiscal year within the preceding three years, the greater of $1 million or two percent of that organization's consolidated gross revenues. (Pitney Bowes' employee and Director matching charitable gifts programs will not be included in the amount of Pitney Bowes' contributions for this purpose.)

The conclusions of the Board regarding the independence of each Director are disclosed in the Company's proxy statement for each Annual Stockholders Meeting.

7. Evaluation of the Chief Executive Officer.
The performance of the Chief Executive Officer is reviewed annually by the independent Directors. On an annual basis, at a joint meeting of the Governance Committee and the Executive Compensation Committee, in which the Non-

Executive Chairman participates and at which the Chair of the Governance Committee presides, the performance and achievements of the Chief Executive Officer, as well as areas for development, are reviewed in executive session. At a subsequent executive session of independent Directors, the Governance Committee Chair presents a summary of the joint committees' discussion regarding the Chief Executive Officer's performance, and leads a discussion with the independent Directors. Feedback is then provided directly to the Chief Executive Officer, on behalf of the independent Directors, by the chair of the Governance Committee. The evaluation is used by the Executive Compensation Committee and the other independent Directors when considering and approving the compensation of the Chief Executive Officer.

8. Review of Management and Succession Planning.
The Governance Committee assesses the Company's long-term succession plan, as well as its plan for a near-term or temporary replacement of the Chief Executive Officer in case of

emergency or where the Chief Executive Officer is disabled or otherwise unable to perform his duties on an annual basis. The Governance Committee meets in executive session on an annual basis with the Chief Executive Officer and the Executive Vice President and Chief Human Resources Officer to identify potential internal successors to the position of Chief Executive Officer and other senior management positions. To assist the Governance Committee, the Chief Executive Officer provides the Governance Committee, on an annual basis, with an assessment of senior managers and their potential to succeed him or her and an assessment of persons considered potential successors to certain senior management positions. The Governance Committee, as appropriate, recommends changes in the Company's succession plan to the independent Directors for approval.

In addition, each year the independent Directors review the performance and development of members of senior management and update the Company's succession plan. The independent Directors may discuss with the current Chief Executive Officer his observations and recommendations for a successor, and will conduct a separate discussion in executive session to update the succession plan.

9. Non-Executive Chairman

The Board of Directors shall appoint a Non-Executive Chairman who shall be an independent member of the Board of Directors and who shall have the following responsibilities:

- Set the agendas for meetings of the Board of Directors in consultation with the Chief Executive Officer;
- Chair meetings of the Board of Directors;
- Approve the schedule for meetings of the Board of Directors and call additional meetings of the Board of Directors as warranted;
- Review and respond, as appropriate, in accordance with guidelines established by the Board of Directors and published each year in the Notice of Annual Meeting and Proxy Statement, to communications from stockholders and other interested parties;
- Brief the Chief Executive Officer, as needed, following discussions by the independent directors in executive session;
- Partner with the Chair of the Governance Committee to provide performance and other feedback to the Chief Executive Officer following the annual joint meeting of the Governance and Executive Compensation Committees;
- Partner with the Chair of the Executive Compensation Committee to provide compensation information to the Chief Executive Officer following meetings of the Board of Directors where compensation action is taken with respect to the Chief Executive Officer;
- Communicate informally with the other Directors, between meetings of the Board, to foster free and open dialog among Directors, and serve as liaison between the Chief

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Executive Officer and the independent directors;

- Approve information sent to the Board;
- Serve as Chairman of the Executive Committee of the Board of Directors;
- Serve as Chairman of the Annual Meeting of Stockholders; and
- Be available for consultation and communication with major stockholders, as appropriate;
- Review the agendas of all Board committee meetings, and attend meetings of those committees of which he or she is not a member, at his or her discretion

Characteristics

The Non-Executive Chairman must exhibit the following characteristics and skills: diplomacy, sound judgment, the ability to work collaboratively, to communicate effectively, with clarity and candor, and to recognize and act in accordance with an appropriate balance between (i) active mentor to the Chief Executive Officer and leader of the Board, and (ii) maintaining an oversight (rather than management) perspective as a member of the Board of Directors.

Selection Process

The Non-Executive Chairman will be appointed by the Board of Directors on an annual basis after consideration of the recommendation of the Governance Committee.

Communications with Non-Executive Chairman by Interested Parties

Information to permit interested parties to contact the Non-Executive Chairman is disclosed in the Company's proxy statement each year, and is available on the Company's website.

10. Executive Sessions.
The independent Directors hold regular meetings in executive session, outside of the presence of any member of Company management. Such sessions are chaired by the Non-Executive Chairman.

It is the prerogative of each Board Committee to exclude members of management from any meeting or discussion held by such Committee at any time. It is the practice of the Audit, Executive Compensation, and Governance Committees to meet in executive session from time to time. The Audit Committee also meets separately, in periodic private sessions, with each of management, the General Auditor and the Company's independent auditor.

11. Board Process and Deliberation.
The Chairman establishes the agenda for each Board meeting in consultation with the Chief Executive Officer. Directors are encouraged to suggest the inclusion of items on the agenda.

Information and data that are important to the Board's understanding of the business are generally distributed in writing to the Board before it meets, unless the sensitivity or timing of the information dictates that it be presented only at the meeting. Complex and very important subjects generally are presented over an extended enough period of time to permit discussion at more than one meeting.

12. Director Access to Management.
It is the Company's practice to create opportunities for Directors to meet with members of management on a routine basis outside the presence of the Chief Executive Officer. Members of the Board of Directors are encouraged to contact or to meet privately with members of Company management, as part of their responsibilities as Directors.

13. Director Compensation.
The **philosophy, or objectives, of the Board of Directors compensation program are to:**

(i) enable the Board to attract and retain the talent needed to fulfill the responsibilities of the Board in a superior and independent fashion;

(ii) align the interests of the Directors with the long-term interests of shareholders through share ownership; and

(iii) compensate Directors for their time, efforts and capacity to assist the Company in the achievement of its long-term goals, and to reflect those activities that require the greatest Board focus.

The compensation **policy** of the Company, or the means by which the Board compensation philosophy will be realized, is as follows:

In recognition of the commitment, service and capacity Directors provide to Pitney Bowes, the Company will provide each Director with compensation consisting of:

(i) an annual cash retainer;

(ii) an annual equity award;

(iii) a Committee membership cash retainer;

(iv) a cash retainer for service as Committee chairpersons; and

(v) a cash retainer for the Non-Executive Chairman.

In establishing the amount of the cash retainer, the equity award and the fees, it is the Company's intention that the total compensation of Directors be competitive with compensation of directors of companies in the Company's peer group for executive compensation purposes.

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The Governance Committee of the Board reviews the director compensation policy periodically and will, if it deems appropriate, consult from time to time with an independent compensation consultant as to the competitiveness of the program.

The Board of Directors maintains Director Stock Ownership Guidelines. Within five years of becoming a Director of Pitney Bowes, each Board member is expected to accumulate Pitney Bowes common stock with a market value of at least five times the annual base retainer fee paid for service as a Pitney Bowes Director. A Director may not sell shares of Pitney Bowes common stock if: a) this requirement is not met, or b) the sale of shares would mean that the Director would no longer meet the requirement.

14. Director Orientation and Continuing Education.
Each new Director participates in a Company orientation program designed to familiarize the Director with the Company's businesses, including short and long-term strategy, the nature of its stockholder base, its senior management team, its values, including ethics policies, its internal control environment, systems for detecting, preventing and reporting infractions of policy and law, the structure of and processes employed by the Board of Directors and its committees, and the responsibilities of Directors.

The Board of Directors recognizes the value of continuing education for Directors both within and outside the Company. From time to time, Director education programs are conducted in the context of or as an adjunct to Board of Directors meetings (e.g., presentations by subject matter experts, visits to Company facilities, in-depth briefings by business unit heads).

15. Retention of External Advisors.
The Board of Directors may retain at Company expense such external advisors as they deem appropriate in the discharge of their responsibilities. The Audit, Executive Compensation, and Governance Committees have the authority to retain external advisors consistent with the provisions of their respective charters.

16. External Communications.
The Board believes it to be important that the Company speak to outside constituencies with a single voice, and that management serve as that primary interface for communications with the press, analysts, stockholders, and other constituencies. Before responding to or engaging with any outside organization or individual, Directors should contact the Chairman, the Chief Executive Officer, and the Chief Legal Officer of the Company to assess whether such engagement is appropriate.

March 2019